

NEW APPLICATION



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DOCUMENT CONTROL

**BEFORE THE ARIZONA CORPORATION COMMISSION**

WILLIAM A. MUNDELL  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
MARC SPITZER  
COMMISSIONER

IN THE MATTER OF THE APPLICATION  
OF ARIZONA PUBLIC SERVICE COMPANY  
FOR AUTHORITY TO SELL GLEN  
CANYON TRANSMISSION LINE

DOCKET NO. E-01345A-01- 0227

**APPLICATION OF ARIZONA PUBLIC SERVICE COMPANY  
TO SELL GLEN CANYON TRANSMISSION LINE**

Arizona Public Service Company ("APS" or "Company") hereby submits an Application to the Arizona Corporation Commission ("Commission") for authority to sell approximately 10.4 miles of 230kV transmission line and related facilities to PacifiCorp. For the reasons set forth below, such sale is not contrary to the public interest and should be approved by the Commission pursuant to A.R.S. § 40-285 (A). Alternatively, APS would ask the Commission to find that the proposed transaction is exempt from the prior-approval requirements of A.R.S. § 40-285 (A) by virtue of A.R.S. § 40-285(C).

**INTRODUCTION**

The transmission line in question runs from the switchyard at Glen Canyon Dam to PacifiCorp's existing Sigurd substation in Utah. The Company's EHV transmission system does not interconnect at Glen Canyon, and thus the line is used exclusively by PacifiCorp. In 1995,

1 APS and PacifiCorp entered into a letter agreement for the sale of the line, subject to required  
2 regulatory approvals, but until this year, PacifiCorp has delayed wanting to actually close the  
3 transaction. A copy of the sales agreement, which also describes the property at issue in more  
4 detail, is attached hereto as Appendix A.

5  
6 **THE PROPOSED SALE IS IN THE PUBLIC INTEREST**  
7 **AND**  
8 **THE GLEN CANYON LINE IS NOT "NECESSARY OR USEFUL"**

9 The agreed upon sales price is \$1.5 million. The original cost of the line was \$430,671.  
10 Remaining book value was \$53,736 as December 31, 2000. Per prior Commission precedent,  
11 half the after-tax gain will be recorded below-the-line. The other half will be recorded as a  
12 deferred credit to be passed on to ratepayers, with interest, at the Company's next general rate  
13 proceeding. This deferred credit is far in excess of entire original cost of the line. APS does not  
14 propose a refund at this time because the administrative cost of providing what, on either a per  
15 kWh or per customer basis, would be an insignificant refund, would be greatly disproportionate to  
16 the amount of the gain.

17 The actual line is more fully described in the attached sales agreement. Although APS  
18 had at one time contemplated extending a transmission line from the Navajo switchyard to Glen  
19 Canyon Dam, thus permitting the Company to access PacifiCorp's Utah system via this pre-  
20 existing Sigurd/Glen Canyon line, that potential APS use was abandoned years ago. Since then,  
21 the line has been used exclusively by PacifiCorp. Moreover, APS now has the ability to import  
22 power from Utah without the use of this section of its transmission system.  
23

24 For the above reasons, APS believes that the property at issue is exempt from the  
25 requirements of A.R.S. § 40-285(A) pursuant to subsection (C) of that same statute. However,  
26

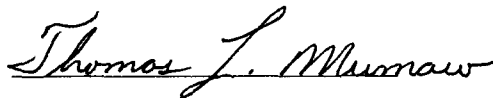
1 discussions with Commission Staff have indicated that the instant application should be filed, if  
2 for no other reason than to secure Commission approval for the deferred ratepayer credit  
3 described above. APS is also submitting an application to the Federal Energy Regulatory  
4 Commission ("FERC") covering the same facilities. FERC approval is anticipated within 60-90  
5 days of filing.  
6

### 7 CONCLUSION

8 APS believes it has made a reasonable business decision to sell this unneeded utility plant.  
9 The sale will yield a substantial after-tax profit - a profit that the Company will share with its  
10 customers. It also eliminates any APS responsibility for the maintenance and repair of the Glen  
11 Canyon line. The Company asks the Commission to act expeditiously to approve the instant  
12 Application because PacifiCorp is now willing and able to close the transaction, and the sooner it  
13 is approved, the sooner APS can establish the deferred ratepayer credit upon which a return will  
14 accrue pending the Company's next scheduled general rate proceeding.  
15

16 RESPECTFULLY SUBMITTED this 14th day of March, 2001.

17 SNELL & WILMER  
18

19  
20 

21 Thomas L. Mumaw

22 Attorneys for Arizona Public  
23 Service Company  
24  
25  
26

AGREEMENT FOR SALE OF ELECTRIC TRANSMISSION FACILITIES

BETWEEN

ARIZONA PUBLIC SERVICE COMPANY

AND

PACIFICORP

APS CONTRACT NO. 51948

Execution Copy  
12/20/2000

AGREEMENT FOR SALE OF ELECTRIC TRANSMISSION FACILITIES  
BETWEEN  
ARIZONA PUBLIC SERVICE COMPANY  
AND  
PACIFICORP

This Agreement for Sale of Electric Transmission Facilities (the "Agreement") is entered into this 29<sup>th</sup> day of January, 2001, by and between Arizona Public Service Company, an Arizona corporation ("APS"), as seller; and PacifiCorp, an Oregon corporation ("PacifiCorp"), as buyer, hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS:

A. APS owns and operates a 10.4 mile portion of the Glen Canyon to Sigurd 230kV electric transmission line that extends from Glen Canyon switchyard to the Arizona-Utah border, located in Coconino County, Arizona. This line has not been used by APS for many years and is primarily used by PacifiCorp to transmit power and energy from Glen Canyon to the Western Area Power Administration's customers in Utah.

B. PacifiCorp has decided to purchase and APS has agreed to sell a 10.4 mile portion of the Glen Canyon to Sigurd 230kV electric transmission line that extends from Glen Canyon switchyard to the Arizona-Utah border. The location of said 10.4 mile portion is legally described on Exhibit A attached hereto and by this reference incorporated herein.

PROMISES AND COVENANTS:

NOW THEREFORE, in consideration of the foregoing recitals and in further consideration of the following covenants, promises and provisions, the Parties hereto, for themselves, their agents, employees, representatives, successors, and assigns, do hereby agree as follows:

1. Sale and Purchase of the Transmission Facilities: APS agrees to sell and PacifiCorp agrees to buy the 10.4 mile, 230kV electric transmission line that extends from Glen Canyon switchyard to the Arizona-Utah border, located in Coconino County, Arizona, comprising APS' electric transmission facilities, including all pole structures and wire, as more particularly described on Exhibit B attached hereto and by this reference incorporated herein (the "Transmission Facilities").

2. Transfer Date: Consummation of the sale provided for herein shall occur on the date on which all regulatory approvals are obtained (the "Transfer Date"). At or prior to the Transfer Date, each Party shall execute and deliver such documents and perform such acts as are provided for herein, or as are necessary to consummate the sale contemplated hereunder. All

obligations of the Parties to be performed at or prior to the Transfer Date are conditions precedent to the Transfer Date as well as covenants.

3. Purchase Price: The purchase price for the Transmission Facilities shall be One Million Five Hundred Thousand Dollars (\$1,500,000), payable by PacifiCorp to APS in certified funds on or before the Transfer Date ("Purchase Price").

4. Conveyance of the Transmission Facilities: On the Transfer Date, good title to the Transmission Facilities free and clear of all liens and encumbrances shall be conveyed by a Bill of Sale in substantially the form attached hereto as Exhibit C and by this reference incorporated herein.

5. Taxes and Assessments: APS shall pay any taxes and assessments which may be lawfully levied upon in connection with the Transmission Facilities, and any fees or charges assessed in lieu of such taxes and assessments which relate to periods prior to the Transfer Date. PacifiCorp shall pay any sales or income taxes which may be levied or assessed in connection with its ownership and operation of the Transmission Facilities and its related sales and revenues which relate to periods after the Transfer Date. Any such taxes, assessments, fees, and charges shall be prorated as of the Transfer Date.

6. Conditions: Each of the following is a condition to the sale, which must be satisfied on or before the Transfer Date:

- (a) Appropriate revisions to the "Interconnection Agreement" between APS and Utah Power and Light Company, dated July 8, 1963.
- (b) APS shall use its best efforts to obtain the Federal Energy Regulatory Commission's (FERC) and the Arizona State Land Department's approval to transfer the transmission right-of-way to PacifiCorp related to the Transmission Facilities.
- (c) Approval of this transaction by FERC.
- (d) Approval of this transaction by the Board of Directors of APS.
- (e) Receipt by APS of funds related to the Purchase Price.
- (f) Receipt of any other approvals, permits, licenses and/or authorizations required by applicable law or regulation.

7. Condition of the Transmission Facilities: PacifiCorp acknowledges and agrees that it is purchasing the Transmission Facilities in "as is", "with all faults" condition and that PacifiCorp is entering into this Agreement and purchasing the Transmission Facilities based upon its own inspection and investigation and not in reliance on any statement, representation, inducement of APS other than as set forth in this Agreement. APS expressly disclaims any

representations or warranties of any kind or nature, express or implied, as to the condition, value or quality of the Transmission Facilities, and APS specifically disclaims any representation or warranty of merchantability, usage, suitability or fitness for any particular purpose with respect to the Transmission Facilities, or any part thereof, or as to the workmanship thereof, or the absence of any defects therein, whether latent or patent, or compliance with environmental requirements. APS further specifically disclaims any representation or warranty regarding the absence of hazardous substances or liability or potential liability arising under environmental laws. Without limiting the generality of the foregoing, APS expressly disclaims any representation or warranty of any kind regarding the condition of the Transmission Facilities

8. Buyer Assumption Of Transmission Facilities: Upon the Transfer Date, PacifiCorp will assume and retain all responsibilities, obligations and liabilities of any kind or nature whatsoever related to, arising from or associated with ownership or possession of the Transmission Facilities including (i) liability for any remediation or liability arising from or related to environmental or hazardous substances/waste or liability conditions resulting from or present in, on, under, about or incorporated in the Transmission Facilities; (ii) the use or operation of the Transmission Facilities or the business conducted with the Transmission Facilities; (iii) obligations to comply with any permits, licenses and approvals; (iv) any and all other obligations or liabilities arising or accruing from and after the Transfer Date. APS shall have no responsibility, liability, or obligations with respect to the Transmission Facilities subsequent to the Transfer date.

9. Notices: All notices required by this Agreement shall be in writing and shall be delivered personally or shall be mailed by first class mail to the respective addresses shown below, or to the last address known by the Party giving notice. Such notices shall be effective upon delivery if delivered in person or 24 hours after such are deposited in the United States mail.

PacifiCorp: Vice President Transmission Systems  
PacifiCorp  
825 N.E. Multnomah St., Suite 1500  
Portland, Oregon 97232

APS: Law Department  
Arizona Public Service Company  
400 North 5<sup>th</sup> Street  
P. O. Box 53999, Mail Station 9820  
Phoenix, Arizona 85072-3999

With copies to:

Director of Transmission Operations and Planning  
Arizona Public Service Company  
502 South 2<sup>nd</sup> Avenue – MS2260  
P. O. Box 53999, Mail Station 2260  
Phoenix, Arizona 85072-3999

10. Waiver: The failure of either Party to insist upon strict performance by the other Party of any of the provisions of this Agreement or any delay in the exercise of any rights or remedies provided by this Agreement shall not release the other Party from any of its responsibilities or obligations imposed by applicable law or by this Agreement and shall not be deemed a waiver of any right to insist upon strict performance of this Agreement.

11. Severability: Should any provision of this Agreement be determined to be unenforceable or illegal, then said provision shall be severed from this Agreement and the remainder shall remain in full force and effect unless otherwise mutually agreed between the Parties.

12. Section Headings: Section headings in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

13. Successors and Assigns: All of the provisions hereof shall inure to the benefit of and be binding upon the heirs, executors, personal representatives, successors and assigns of the Parties hereto. Neither Party shall be entitled to assign the rights and benefits of this Agreement to any person, firm, corporation, or other entity (except a related or restructured entity taking the place of the original Party) without the prior written consent of the other which consent shall not be unreasonably withheld. Any assignment made without prior written consent shall be null and void and of no legal force or effect.

14. Uncontrollable Forces: If either Party is delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, civil disorder, restrictive governmental laws or regulations or other cause without fault and beyond the reasonable control of such Party (financial liability excepted), performance of such act shall be excused for the period of delay. Nothing herein shall excuse either Party from complete performance of all obligations imposed by this Agreement.

15. Limitation of Liability: It is expressly agreed that in no event shall either Party be liable for any special, indirect, contingent or consequential loss or damage (including, without limitation, loss of contract, loss of business, loss of revenue, loss of goodwill, loss of market, loss of profit or loss of anticipated profit), expense or cost whatsoever or howsoever suffered or incurred, whether or not the same are foreseeable and whether arising in contract, tort or otherwise, relating to or arising out of performance of this Agreement pursuant to this Agreement, even if either Party had been advised, knew or should have known of the possibility thereof.

16. Indemnity: Subject to the express warranty and representation disclaimers, limitations and obligations set forth in Sections 7 and 8 of this Agreement, each Party shall indemnify and hold the other Party, its directors, employees and officers harmless from and against any and all liabilities, losses, damages, costs, and expenses, including, but not limited to, fees and charges of attorneys and court and arbitration costs, which that Party and its directors,



officers, and employees may hereafter suffer in connection with any claim, action, or right of action asserted by a third party, at law or in equity, because of any injury, including death, damage to said person, entity and/or property, fines and penalties, violation of Government Laws, regulations or orders, and/or failure of performance which arises from (i) any negligent acts, errors, and/or omissions on the part of the indemnifying Party, its directors, officers, subcontractors and employees in the performance of the Agreement or (ii) any acts, errors, and/or omissions on the part of the indemnifying Party, its directors, officers, subcontractors and employees in connection with the Transmission Facilities during the period of the indemnifying Party's ownership of such facilities. Notwithstanding the foregoing, each indemnifying Party's complete and total obligation for indemnification pursuant to this section, in the aggregate for any and all claims, shall be limited to \$1.5 million.

17. Additional Documents: The Parties agree to execute, acknowledge, and deliver such other documents and instruments as may be reasonably necessary or appropriate to carry out the full intent and purpose of this Agreement. Such documents shall include, but not be limited to; assignable rights-of-way, easements, and permits; plan and profile drawings, structure and other engineering drawings and data required to operate and maintain the purchased Transmission Facilities.

18. No Partnership, Third Person: It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between APS and PacifiCorp other than as specifically set forth in the agreement listed in Paragraph 6(a) above. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, corporation, or other entity not a party hereto, and no such other person, firm, corporation, or other entity shall have any right or cause of action hereunder.

19. Seller-Nonforeign Transferor: APS represents and warrants to PacifiCorp that APS is not a "Foreign Person" as defined in Internal Revenue Code Section 1445(f)(3).

20. No Third Party Beneficiaries: Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons to any Party, nor give any third persons any right of subrogation or action against any Party.

21. Governing Law: This agreement shall be interpreted in accordance with the laws of the State of Arizona, notwithstanding any Arizona conflict of law provision to the contrary. Any court action arising under this agreement shall be initiated and prosecuted in a state or federal court in Maricopa County, Arizona.

22. Dispute Resolution: If a dispute arises concerning this Agreement, a meeting of the Parties shall be held within ten (10) business days after either Party gives the other Party written notice of the dispute (the "Dispute Notice"). The Dispute Notice shall set forth in reasonable detail the aggrieved Party's position and its proposal for resolution of the dispute. A representative of each Party who has authority to resolve the dispute shall be in attendance at all

meetings. If the dispute is not resolved within thirty (30) calendar days after the first meeting of the Parties, either Party is free to use any other available remedy, including litigation. The Dispute Notice and 30-day discussion period are conditions precedent to each Party's right to resort to any other method. A Party's failure to comply with this Section 22 shall entitle the other Party to recover its costs and reasonable attorney's fees in any judicial proceedings that circumvent this dispute resolution provision.

23. Entire Agreement: This Agreement embodies the entire agreement between APS and PacifiCorp with respect to the sale by APS and purchase by PacifiCorp of the Transmission Facilities, and shall supersede all prior contracts, proposals, representations, negotiations, or letters, whether written or oral. The Parties shall not be bound by or be liable for any statement, representation, promise, inducement, or understanding of any kind not set forth in this Agreement, and this Agreement shall only be modified by an amendment signed by both Parties. This Agreement includes all documents either attached hereto or incorporated herein by reference.

24. Authority to Execute: The Parties signing below represent and warrant that they have the requisite authority to bind the entities on whose behalf they are signing.

EXECUTED as of the day and year first above written.

**ARIZONA PUBLIC SERVICE COMPANY,**  
an Arizona corporation

By Jack Davis  
Name Jack Davis  
Title President

**PACIFICORP**  
an Oregon corporation

By Darrell T. Gervard  
Name Darrell T. Gervard  
Title Acting VP Transmission

EXHIBIT A  
LEGAL DESCRIPTION  
**Glen Canyon Switchyard To The Arizona – Utah Border 230kV Transmission Line**

That portion of Sections 2, 3, 11, and 12, Township 41 North, Range 7 East, and that portion of Sections 7, 16, 17, 18, 21, 22, 25, 26, and 27, Township 41 North, Range 8 East, and that portion of Sections 33, and 34, Township 42 North, Range 7 East, of the Gila and Salt River Meridian, Coconino County, Arizona, as shown on the attached Map E-17864 (FPC 2469), and more particularly described as follows:

Said Right-of-way being **120 feet in width**, 60 feet on each side of the following described centerline.

**Commencing**, at the northeast corner of Section 33, Township 42 North, Range 7 East, as described above;

Thence, South 89 degrees 52' 02" West, (basis of bearings) along the North line of said Section 33, a distance of 703.71 feet to the **TRUE POINT OF BEGINNING**, said point designated as Station **547+57.48**;

Thence, South 20 degrees 08 minutes 20 seconds East, a distance of 4,012.88 feet, to a point designated as Station 507+44.60 A.P.R.;

Thence, South 58 degrees 30 minutes 30 seconds East, a distance of 456.10 feet, to a point on the South line of Section 34, designated as Station 502+88.50 P.O.T., said point being located West, of the South Quarter Corner of said Section 34, a distance of 1573.30 feet, and also having a bearing equation North 58 degrees 30 minutes 30 seconds West ahead = North 58 degrees 34 minutes 25 seconds West back;

Thence, South 58 degrees 34 minutes 25 seconds East, across the North-half of Section 3, Township 41 North, Range 7 East, as described above, a distance of 4,936.92 feet to a point on the East line of said Section 3, designated as Station 453+51.98 P.O.T., said point lying North 00 degrees 05 minutes East, of the East Quarter Corner of Section 3, a distance of 65.18 feet;

Thence, continuing South 58 degrees 34 minutes 25 seconds East, across the Southwest Quarter of the Northwest Quarter of Section 2, and the South-half of Section 2, Township 41 North, Range 7 East, as described above, a distance of 5,178.62 feet to a point on the South line of said Section 2, designated as Station 401+73.36 P.O.T., said point lying West, of the Southeast Corner of Section 2, a distance of 861.50 feet;

Thence, continuing South 58 degrees 34 minutes 25 seconds East, across the Northeast Quarter of Section 11, and the Northwest Quarter of Section 12, and that portion of the East-half of Section 12, Township 41 North, Range 7 East, as described above, a distance of 7,502.50 feet to a point on the East line of said Section 12, designated as Station 326+70.86 P.O.T., said point lying South, of the East Quarter Corner of Section 12, a distance of 1,123.51 feet;

Thence, continuing South 58 degrees 34 minutes 25 seconds East, across the Southeast Quarter of Section 7, and the North-half of Section 18, and that portion of the South-half of Section 17, and a portion of the Northwest Quarter of Section 17, Township 41 North, Range 8 East, as described above, a distance of 12,056.56 feet to a point on the East line of said Section 17, designated as Station 206+14.30 P.O.T., said point lying North, of the Southeast Corner of Section 17, a distance of 352.32 feet;

Thence, continuing South 58 degrees 34 minutes 25 seconds East, across a portion of State Land (**Permit 14-2891**) in the Southwest Quarter of Section 16, Township 41 North, Range 8 East, as described above, a distance of 675.72 feet to a point on the South line of said Section 16, designated as Station 199+38.58 P.O.T., said point lying East, of the Southwest Corner of Section 16, a distance of 576.29 feet;

Thence, continuing South 58 degrees 34 minutes 25 seconds East, across the North-half of Section 21, and the Southeast Quarter of Section 21, and that portion of the South-half of Section 22, Township 41 North, Range 8 East, as described above, a distance of 10,112.62 feet to a point on the South line of said Section 22, designated as Station 98+25.96 P.O.T., said point lying West, of the Southeast Corner of Section 22, a distance of 1369.79 feet;

Thence, across a portion of the Northeast Quarter of Section 27, and the North-half of Section 26, and the Northwest Quarter of Section 25, Township 41 North, Range 8 East, as described above; commencing at Station 98+25.96 lying West, a distance of 1369.79 feet from the Northeast Corner of Section 27;

Thence, continuing South 58 degrees 34 minutes 25 seconds East, a distance of 3,474.18 feet to a point designated as Station 63+51.78 A.P.R.

Thence, North 84 degrees 09 minutes 33 seconds East, a distance of 3,706.78 feet to a point on the East line of said Section 26, designated as Station 26+45.00 P.O.T;

Thence, continuing North 84 degrees 09 minutes 33 seconds East, across that portion of Section 25, a distance of 1,004.20 feet to a point designated as Station 16+40.80 A.P.R.;

Thence, North 37 degrees 02 minutes 33 seconds East, a distance of 1,163.40 feet to a point designated as Station 4+77.40 A.P.R.;

Thence, North 78 degrees 36 minutes 33 seconds East, a distance of 477.40 feet to the **Glen Canyon Switch Yard**, and a point, designated as **Station 0+00.00 Begin**;

Glen Canyon 230kV line is 10.3707 miles in total length and contains 150.8471 acres.

|            |               |                |
|------------|---------------|----------------|
| State Land | 0.1280 miles  | 1.8615 acres   |
| Fed. Land  | 10.2427 miles | 148.9856 acres |

## EXHIBIT B

## INVENTORY OF TRANSMISSION FACILITIES

All pole structures, downguys and wires as reflected in the following list and on the attached map.

Location Code 13000205      MILES: 10.4

| FERC ACCT                           | RU#                                 | RU DESCRIPTION              | QUANTITY | UNIT OF ISSUE |
|-------------------------------------|-------------------------------------|-----------------------------|----------|---------------|
| <b>TWO OR THREE POLE STRUCTURES</b> |                                     |                             |          |               |
| 355                                 | 5650110                             | Wood Pole – 65 FT           | 2        | EA            |
| 355                                 | 5650112                             | Wood Pole – 75 FT           | 1        | EA            |
|                                     | <b>Total Wood Poles</b>             |                             | 3        |               |
| 355                                 | 5654010                             | 2-Pole Structure (61-65 FT) | 4        | EA            |
| 355                                 | 5654012                             | 2-Pole Structure (71-75 FT) | 14       | EA            |
| 355                                 | 5654110                             | 3-Pole Structure (61-65 FT) | 1        | EA            |
| 355                                 | 5654111                             | 3-Pole Structure (66-70 FT) | 1        | EA            |
| 355                                 | 5654112                             | 3-Pole Structure (71-75 FT) | 3        | EA            |
|                                     | <b>Total Structures</b>             |                             | 23       |               |
| 355                                 | 5550100                             | Transmission Down Guys      | 54       | EA            |
| 350-2                               |                                     | Land Rights                 |          | LT            |
| <b>CONDUCTOR/ GROUND WIRE</b>       |                                     |                             |          |               |
| 356                                 | 5250304                             | 954 MCM ACSR                | 164,736  | FT            |
| 356                                 | 5250201                             | OHGW ALUMOWELD              | 109,824  | FT            |
|                                     | <b>Total Conductor/ Ground Wire</b> |                             | 274,560  |               |



## EXHIBIT C

## BILL OF SALE

For good and valuable consideration, receipt of which is hereby acknowledged, Arizona Public Service Company, an Arizona Corporation ("APS"), hereby sells, conveys, transfers and assigns to PacifiCorp, an Oregon corporation ("PacifiCorp"), the personal property located within Coconino County, Arizona comprising APS' electric transmission facilities, including all pole structures, downguys, and wire, as more particularly described on Schedule A attached hereto and by this reference incorporated herein.

PacifiCorp has inspected the personal property and is fully familiar with its condition and capabilities. The property described above is sold to PacifiCorp "as is", "with all faults." APS makes no representations or warranties in respect to the property, its merchantability or fitness for a particular purpose, condition and expressly disclaims all warranties, expressed or implied, concerning the electric transmission facilities being sold herein.

EXECUTED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

ARIZONA PUBLIC SERVICE COMPANY,  
an Arizona corporation

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Acknowledgment

STATE OF ARIZONA       )  
                                  ) ss.  
County of Maricopa       )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of  
\_\_\_\_\_, \_\_\_\_\_, by \_\_\_\_\_, the  
\_\_\_\_\_ of Arizona Public Service Company, an Arizona  
corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_



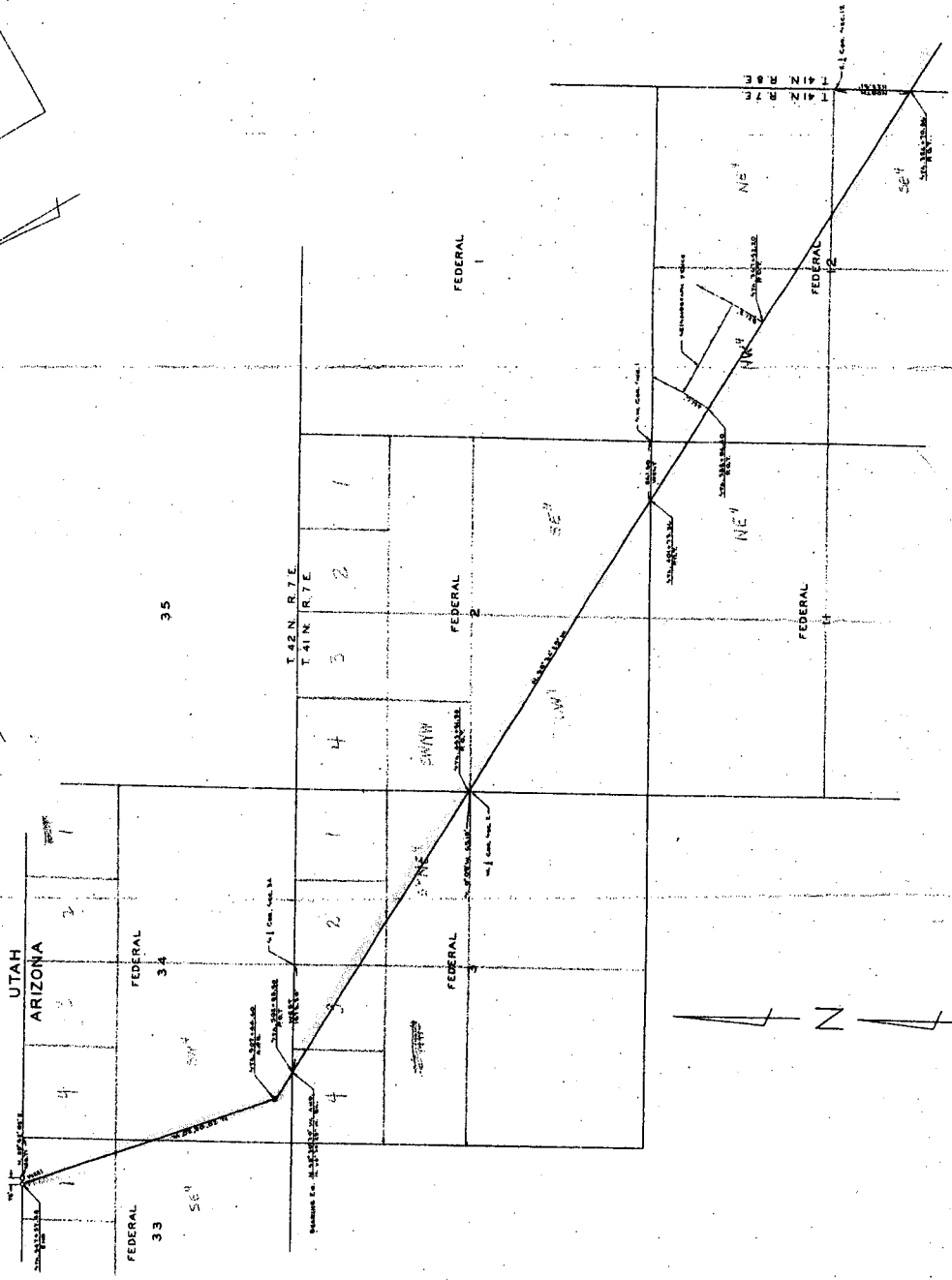
## SCHEDULE A

## INVENTORY OF TRANSMISSION FACILITIES

All pole structures, downguys and wires as reflected in the following list and on the attached map.

Location Code 13000205      MILES: 10.4

| FERC ACCT                           | RU#                                 | RU DESCRIPTION              | QUANTITY | UNIT OF ISSUE |
|-------------------------------------|-------------------------------------|-----------------------------|----------|---------------|
| <b>TWO OR THREE POLE STRUCTURES</b> |                                     |                             |          |               |
| 355                                 | 5650110                             | Wood Pole – 65 FT           | 2        | EA            |
| 355                                 | 5650112                             | Wood Pole – 75 FT           | 1        | EA            |
|                                     | <b>Total Wood Poles</b>             |                             | 3        |               |
| 355                                 | 5654010                             | 2-Pole Structure (61-65 FT) | 4        | EA            |
| 355                                 | 5654012                             | 2-Pole Structure (71-75 FT) | 14       | EA            |
| 355                                 | 5654110                             | 3-Pole Structure (61-65 FT) | 1        | EA            |
| 355                                 | 5654111                             | 3-Pole Structure (66-70 FT) | 1        | EA            |
| 355                                 | 5654112                             | 3-Pole Structure (71-75 FT) | 3        | EA            |
|                                     | <b>Total Structures</b>             |                             | 23       |               |
| 355                                 | 5550100                             | Transmission Down Guys      | 54       | EA            |
| 350-2                               |                                     | Land Rights                 |          | LT            |
| <b>CONDUCTOR/ GROUND WIRE</b>       |                                     |                             |          |               |
| 356                                 | 5250304                             | 954 MCM ACSR                | 164,736  | FT            |
| 356                                 | 5250201                             | OHGW ALUMOWELD              | 109,824  | FT            |
|                                     | <b>Total Conductor/ Ground Wire</b> |                             | 274,560  |               |



FPC #2469

ASSISTANT ATTORNEY GENERAL

## BILL OF SALE

For good and valuable consideration, receipt of which is hereby acknowledged, Arizona Public Service Company, an Arizona Corporation ("APS"), hereby sells, conveys, transfers and assigns to PacifiCorp, an Oregon corporation ("PacifiCorp"), the personal property located within Coconino County, Arizona comprising APS' electric transmission facilities, including all pole structures, downguys, and wire, as more particularly described on Schedule A attached hereto and by this reference incorporated herein.

PacifiCorp has inspected the personal property and is fully familiar with its condition and capabilities. The property described above is sold to PacifiCorp "as is", "with all faults." APS makes no representations or warranties in respect to the property, its merchantability or fitness for a particular purpose, condition and expressly disclaims all warranties, expressed or implied, concerning the electric transmission facilities being sold herein.

EXECUTED this 29 day of January, 2001.



ARIZONA PUBLIC SERVICE COMPANY,  
an Arizona corporation

By

Name

Title

JACK DAVIS

JACK DAVIS

President

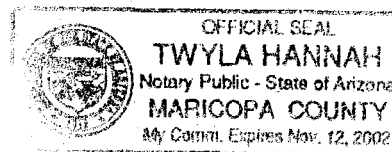
Acknowledgment

STATE OF ARIZONA       )  
                                  ) ss.  
County of Maricopa       )

The foregoing instrument was acknowledged before me this 29 day of  
January, 2001, by Jack Davis, the  
President of Arizona Public Service Company, an Arizona  
corporation, on behalf of the corporation.

Twyla Hannah  
Notary Public

My Commission Expires:  
\_\_\_\_\_



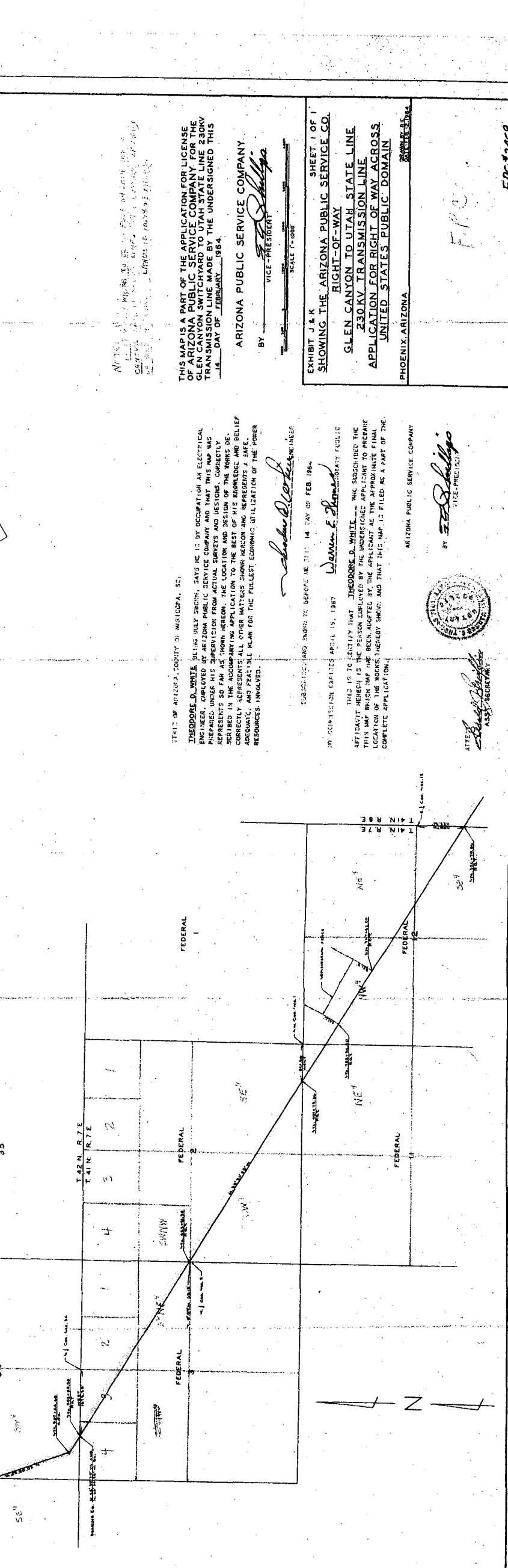
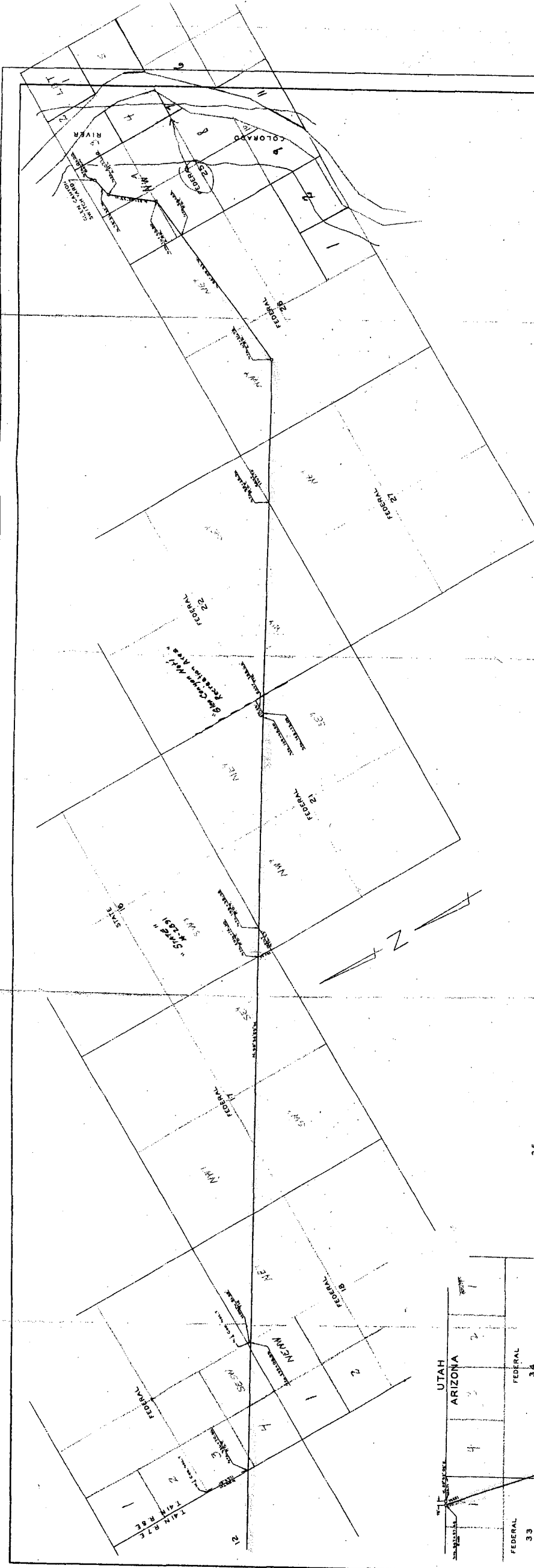
# SCHEDULE A

## INVENTORY OF TRANSMISSION FACILITIES

All pole structures, downguys and wires as reflected in the following list and on the attached map.

Location Code 13000205      MILES: 10.4

| FERC ACCT                           | RU#                                 | RU DESCRIPTION              | QUANTITY | UNIT OF ISSUE |
|-------------------------------------|-------------------------------------|-----------------------------|----------|---------------|
| <b>TWO OR THREE POLE STRUCTURES</b> |                                     |                             |          |               |
| 355                                 | 5650110                             | Wood Pole – 65 FT           | 2        | EA            |
| 355                                 | 5650112                             | Wood Pole – 75 FT           | 1        | EA            |
|                                     | <b>Total Wood Poles</b>             |                             | 3        |               |
| 355                                 | 5654010                             | 2-Pole Structure (61-65 FT) | 4        | EA            |
| 355                                 | 5654012                             | 2-Pole Structure (71-75 FT) | 14       | EA            |
| 355                                 | 5654110                             | 3-Pole Structure (61-65 FT) | 1        | EA            |
| 355                                 | 5654111                             | 3-Pole Structure (66-70 FT) | 1        | EA            |
| 355                                 | 5654112                             | 3-Pole Structure (71-75 FT) | 3        | EA            |
|                                     | <b>Total Structures</b>             |                             | 23       |               |
| 355                                 | 5550100                             | Transmission Down Guys      | 54       | EA            |
| 350-2                               |                                     | Land Rights                 |          | LT            |
| <b>CONDUCTOR/ GROUND WIRE</b>       |                                     |                             |          |               |
| 356                                 | 5250304                             | 954 MCM ACSR                | 164,736  | FT            |
| 356                                 | 5250201                             | OHGW ALUMOWELD              | 109,824  | FT            |
|                                     | <b>Total Conductor/ Ground Wire</b> |                             | 274,560  |               |



NOTES: 1. THIS MAP IS A PART OF THE APPLICATION FOR LICENSE OF ARIZONA PUBLIC SERVICE COMPANY FOR THE GLEN CANYON SWITCHYARD TO UTAH STATE LINE 230KV TRANSMISSION LINE MADE BY THE UNDERSIGNED THIS IS DAY OF FEBRUARY 1964.

THIS MAP IS A PART OF THE APPLICATION FOR LICENSE OF ARIZONA PUBLIC SERVICE COMPANY FOR THE GLEN CANYON SWITCHYARD TO UTAH STATE LINE 230KV TRANSMISSION LINE MADE BY THE UNDERSIGNED THIS IS DAY OF FEBRUARY 1964.

ARIZONA PUBLIC SERVICE COMPANY  
BY *[Signature]*  
VICE-PRESIDENT

SCALE 1" = 1000'

EXHIBIT J & K  
SHEET 1 OF 1  
SHOWING THE ARIZONA PUBLIC SERVICE CO.  
RIGHT-OF-WAY  
GLEN CANYON TO UTAH STATE LINE  
230 KV TRANSMISSION LINE  
APPLICATION FOR RIGHT OF WAY ACROSS  
UNITED STATES PUBLIC DOMAIN  
PHOENIX, ARIZONA

STATE OF ARIZONA, COUNTY OF MARICOPA, SE:  
THEODORE D. WHITE, being duly sworn, says he is by occupation an electrical engineer, employed by ARIZONA PUBLIC SERVICE COMPANY, and that this map was prepared under his supervision from actual surveys and is a true and correct representation of the same as far as shown hereon, the location and design of the transmission line described in the accompanying application to the best of his knowledge and belief, and that he is not aware of any other matters shown hereon and represents a safe, accurate, and feasible plan for the fullest economic utilization of the power resources involved.

*[Signature]*  
SUBSCRIBED AND SWORN TO before me this 14 day of FEB 1964.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of my office, this 14 day of FEB 1964.

Walter E. Smith  
NOTARY PUBLIC

THIS IS TO CERTIFY THAT THEODORE D. WHITE, who subscribed the affidavit hereon, is the person employed by the undersigned applicant to prepare this map and that he has been adopted by the applicant as the approximate final location of the right-of-way shown; and that this map is filed as a part of the complete application.

ARIZONA PUBLIC SERVICE COMPANY  
BY *[Signature]*  
VICE-PRESIDENT

ATTEST:  
*[Signature]*  
ASS. SECRETARY

ARIZONA PUBLIC SERVICE COMPANY

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